

BANK INDONESIA

No. 17/36/DPM

Jakarta, November 16, 2015

CIRCULAR LETTER

To

ALL PARTICIPANTS OF BANK INDONESIA - ELECTRONIC TRADING PLATFORM
SYSTEM IN INDONESIA

Concerning : Implementation of Bank Indonesia - Electronic Trading Platform
System

In connection with the enforcement of Bank Indonesia Regulation Number 17/18/PBI/2015 concerning Transaction Implementation, Securities Administration, and Real-Time Fund Settlement (State Gazette of the Republic of Indonesia of 2015 Number 273, Supplement to State Gazette of the Republic of Indonesia Number 5762), it is necessary to regulate the provisions for the implementation of Bank Indonesia-Electronic Trading Platform in this Bank Indonesia Circular Letter as follows:

I. GENERAL PROVISIONS

A. In this Bank Indonesia Circular Letter:

1. Bank shall be Commercial Bank as referred to in the applicable Act concerning Banking, including foreign bank branches, and Sharia Bank, including Sharia Business Unit, as specified in the Act concerning sharia banking.

2. Monetary Operation shall be the implementation of monetary operations by Bank Indonesia for monetary control through open market operations and standing facilities.
3. Sharia Monetary Operation shall be the implementation of monetary operations by Bank Indonesia for monetary control through Open Market Operations and Standing Facilities extension based on sharia principles.
4. Open Market Operation, hereinafter referred to as OMO, shall be transactions in money market conducted by Bank Indonesia with Banks and/or other parties in the context of Monetary Operations.
5. Sharia Open Market Operation, hereinafter referred to as Sharia OMO, shall be transactions in money market based on sharia principle conducted by Bank Indonesia with Banks and other parties in the context of Sharia Monetary Operations.
6. OMO Participants shall be Banks, which meet the requirements as Monetary Operation participants as specified in Bank Indonesia Regulation concerning the criteria and requirements for Securities, participants, and Intermediary Agencies in Monetary Operations.
7. Standing Facilities shall be rupiah lending facility from Bank Indonesia to Banks and deposit facility by Banks at Bank Indonesia in the context of Monetary Operations.
8. Securities shall be securities issued by Bank Indonesia, the Government, and/or any other agencies administered on BI-SSSS.
9. Sovereign Securities, hereinafter referred to as SBN, shall be Sovereign Debt Securities and Sovereign Sharia Securities.

10. Sovereign Debt Securities, hereinafter briefly referred to as SUN, shall be securities in the form of acknowledgment of indebtedness in rupiah currency or foreign currency, the payments of interest and principal of which guaranteed by the Government of Republic of Indonesia, in accordance with the validity thereof, as referred to in the Sovereign Debt Securities Act.
11. Sovereign Sharia Securities, hereinafter referred to as SBSN, or may be referred to as Sovereign Sukuk, shall be SBN issued based on the sharia principles, either in rupiah currency or foreign currency, as proof of participation in SBSN assets, as referred to in the Sovereign Sharia Act.
12. Bank Indonesia-Electronic Trading Platform, hereinafter referred to as BI-ETP System, shall be an infrastructure used as transaction facility in an electronic manner.
13. Transaction shall be Transaction with Bank Indonesia and Financial Market Transaction.
14. Transaction with Bank Indonesia shall be transaction made by Bank Indonesia for Monetary Operations, Sharia Monetary Operations, and/or SBN transactions for and on behalf of the Government, as well as other transactions made by Bank Indonesia.
15. Financial Market Transaction shall be Securities and lending-borrowing transactions in a conventional manner, or those equalized based on sharia principle for transactions of money market and/or Securities in the secondary market.
16. Bank Indonesia-Scripless Securities Settlement System, hereinafter referred to as BI-SSSS, shall be an infrastructure used as a transaction

administration facility with Bank Indonesia and financial market transactions, as well as securities administration, conducted in an electronic manner as specified in Bank Indonesia regulation concerning transaction implementation, securities administration, and real-time fund settlement.

17. Bank Indonesia-Real Time Gross Settlement System, hereinafter referred to as BI-RTGS System, shall be an electronic fund transfer system between BI-RTGS System participants in rupiah whose settlements are made real-time per individual transaction as specified in Bank Indonesia regulation concerning transaction implementation, securities administration, and real-time fund settlement.
18. BI-ETP System Operator shall be Bank Indonesia, which operates BI-ETP System.
19. BI-ETP System Participant, hereinafter referred to as Participant, shall be any parties who have met the requirements and obtained approval of the Operator as participant in BI-ETP System implementation.
20. Administration shall be activities including ownership recording, clearing and settlement, and payment of coupon/interest or return and principal/nominal value of Securities and result of Transaction without Securities.
21. Sub-Registry shall be Bank Indonesia and parties, which meet the requirements and are approved by Bank Indonesia as BI-SSSS participants to perform administrative functions for the interest of customers.
22. Major Dealer shall be Banks and securities companies appointed by the Finance Minister as the major dealer in SUN transactions as specified in Regulation of Finance Minister concerning major dealers.

23. Bidder shall be Banks and securities companies appointed by the Finance Minister as the bidders in SBSN transactions as specified in Regulation of Finance Minister concerning issuance and sale of sovereign sharia securities in the domestic primary market by tender.
24. Current Account shall be Current Accounts as specified in Bank Indonesia Regulation concerning Current Account correlation between Bank Indonesia and external parties.
25. Securities Account shall be OMO Participant's account on BI-SSSS in Rupiah and/or other currencies administered in Bank Indonesia to record ownership and settlements of Securities transactions, Transactions With Bank Indonesia, and/or Financial Market Transactions.
26. Fund Settlement shall be Fund Settlement as specified in Bank Indonesia provisions for implementation of fund settlements through BI-RTGS System.
27. Securities Settlement shall be Securities Settlement as specified in Bank Indonesia provisions for implementation of securities administration through BI-SSSS.
28. Paying Bank shall be Banks as BI-RTGS System participants appointed as parties to make fund payments and/or receipts by Participants, who are not BI-RTGS System participants.
29. Abnormal Condition shall be a situation or condition occurring as a result of failure of or damage in hardware, software, communication network, supporting applications and facilities affecting smooth implementation of BI-ETP System.

30. Emergency shall be a condition beyond the control of the Operator and/or Participant that makes BI-ETP System operation impossible due to, but not limited to, fire, mass riot, sabotage, and natural disasters, such as earthquakes and floods, as declared by the government or local competent authority, including Bank Indonesia.
31. Guest Bank shall be BI-ETP System facility in the location of Bank Indonesia Headquarters and Domestic Bank Indonesia Representative Office provided by the Operator for Participants as back-up in the event of Abnormal Conditions and/or Emergencies making Participants unable to use BI-ETP System in the Participant's location.
32. BI-ETP System Use Agreement between BI-ETP System Operator and Participant, hereinafter referred to as the Agreement, shall be a written agreement between BI-ETP System Operator and Participant specifying the rights and obligations of each party in using BI-ETP System.
33. Administrative Message shall be a facility used to convey information from BI-ETP System Operator to Participant or vice versa or between Participants.
34. Business Continuity Plan, hereinafter referred to as BCP, shall be policy and procedure specifying a series of planned and coordinated activities on risk mitigation measures, failure or disaster impact management, and recovery processes to allow BI-ETP operation activities running.
35. Disaster Recovery Plan, hereinafter referred to as DRP, shall be substitute policy and procedure used temporarily during recovery of the main BI-ETP to maintain business continuity when the main BI-ETP is failing or not functioning.

36. Participant Code shall be a code identifying Participants related to the implementation of transactions through BI-ETP System.
37. Position Account shall be an account used in making transactions consisting of Securities Account in BI-SSSS and Current Account on BI-RTGS System.
38. Portfolio shall be Position Accounts of BI-ETP System Participants used in making transactions.
39. Broker Bidding Limit shall be the highest nominal bid submitted by a Participant to another Participant to be able to submit bid per day for and on behalf of the Participant submitting the bid nominal limit.
40. Digital Certificate Hard Token shall be storage medium in the form of USB flash drive containing digital certificate in the form of protected file containing certificate owner's identity, encryption key to verify the owner's digital signature, and certificate validity period, generated by public key infrastructure of Bank Indonesia.

II. IMPLEMENTATION

A. BI-ETP System Operator Organization

1. BI-ETP System Operator shall be Bank Indonesia c.q. Monetary Management Department (DPM).
2. BI-ETP System Operator conducts operational management of BI-ETP System and activity implementation:
 - a. Transactions With Bank Indonesia; and
 - b. Financial Market Transactions made through BI-ETP System.

3. Correspondence activities relating to BI-ETP System operation shall be addressed to:

Bank Indonesia

Departemen Pengelolaan Moneter (Monetary Management Department)

c.q. Grup Pendukung Operasi Moneter-Divisi Pengelolaan Sistem dan Informasi Operasi Moneter (Monetary Operation Support Group-System Management and Monetary Operation Information Division)

Menara Sjafruddin Prawiranegara

Jalan M.H. Thamrin No. 2

Jakarta 10350

4. Help desk, to handle operational issues encountered by Participants on BI-ETP System, at the following numbers:

Phone : 021-29818888

Facsimile : 021-2310485

5. If the address set forth in number 3 and phone and/or facsimile numbers set forth in number 4 change, BI-ETP System Operator shall notify such change by letter and/or any other means.

B. Duties and Authorities of BI-ETP System Operator

1. Operational Management of BI-ETP System

For BI-ETP System operation, BI-ETP System Operator shall have, among others, the following duties and authorities:

- a. determine provisions and procedures for BI-ETP System operation;
- b. provide facilities and infrastructures of BI-ETP System operation including among others:
 - 1) BI-ETP System application;

- 2) 1 (one) data communication network connecting Participant's BI-ETP System and Operator's BI-ETP System;
 - 3) BI-ETP System technical guideline and its amendment;
 - 4) Guest Bank facility; and
 - 5) other supporting facilities and infrastructures, including Digital Certificate Hard Token;
- c. make efforts to guarantee reliability, availability, and safety of BI-ETP System, including among others:
- 1) manage and operate BI-ETP System;
 - 2) manage Digital Certificate Hard Token;
 - 3) manage data communication network;
 - 4) determine operational time of BI-ETP System operation;
 - 5) provide help desk to handle issues relating to BI-ETP System operation;
 - 6) provide services relating to participation in BI-ETP System;
 - 7) apply procedure for handling Abnormal Conditions and/or Emergencies;
 - 8) determine participation status;
 - 9) provide training for Participant candidates and periodic training for Participants; and
 - 10) apply minimum service standard in BI-ETP System operation;
- d. determine the type and amount of BI-ETP System use fee;
- e. monitor Participant's compliance with the provisions and procedures specified by BI-ETP System Operator as well as determine and impose sanctions on Participants.

2. Implementation of Transaction Activities

For implementation of Transactions through BI-ETP System, under this Circular Letter, BI-ETP System Operator shall perform duties and authorities under the following provisions:

a. Transactions with Bank Indonesia

- 1) implement transactions by the mechanism of tender or non-tender for Monetary Operation and Sharia Monetary Operation activities; and/or
- 2) implement SBN transactions for and on behalf of the government c.q. Ministry of Finance.

b. Financial Market Transactions

Facilitate implementation of Financial Market Transactions.

C. Release of Responsibility of BI-ETP System Operator

1. Participants shall hold BI-ETP System Operator harmless from all claims for any losses arising and/or to be arising suffered by Participants or any third parties.
2. Claims for any losses suffered by Participants or any third parties set forth in number 1 arise or may arise due to, among others:
 - a. delay in or failure of Transactions among others owing to Participant's negligence, Abnormal Conditions, and/or Emergencies;
 - b. Transactions made by unauthorized Participant's officer; and/or
 - c. faulty Transaction data sent by Participants.

III. PARTICIPATION

A. General Provisions for Participation

1. Parties eligible for becoming Participants are:
 - a. Bank Indonesia;
 - b. Ministry of Finance;
 - c. Indonesia Deposit Insurance Corporation (LPS);
 - d. Bank;
 - e. broker company in Rupiah and foreign currency market;
 - f. securities company; and
 - g. other institutions approved by Bank Indonesia, provided that participation of such other agencies are among others under the applicable laws and regulations and/or considering financial market development in Indonesia.
2. To be eligible for becoming Participants, the parties set forth in number 1 shall play the following roles:
 - a. Securities issuers;
 - b. participants of Monetary Operations or Sharia Monetary Operations as specified in Bank Indonesia regulation concerning monetary operations and sharia monetary operations;
 - c. intermediaries as specified in Bank Indonesia regulation concerning Monetary Operations and Sharia Monetary Operations;
 - d. participants of SBN transactions in the primary market as specified in Finance Minister Regulation concerning tender for sovereign debt securities in Rupiah and foreign currencies in the domestic primary market and issuance and selling of sharia securities in the domestic primary market by the mechanism of tender;
 - e. participants of Financial Market Transactions; and/or

- f. any other roles specified by Bank Indonesia among others under the applicable rules and regulations, consideration of financial market development in Indonesia, and/or technical considerations.

3. Correlation with BI-RTGS System Participation

- a. For Participants who are also BI-RTGS System participants, Fund Settlements relating to Transactions and other mandatory payments of BI-ETP System use shall be made by using Current Accounts on BI-RTGS System.
- b. For Participants who are not BI-RTGS System participants, Fund Settlements relating to Transactions and other mandatory payments of BI-ETP System use shall be made through Paying Banks.

4. Correlation with BI-SSSS System Participation

- a. For Participants who are also BI-SSSS participants, Securities Settlements relating to Transactions shall be made by using Securities Account.
- b. For Participants who are not BI-SSSS participants, Securities Settlements relating to Transactions shall be made through Sub-Registry.

B. Requirements for Participants

1. Participant candidates must meet the following requirements:

- a. play the roles as specified in point A.2;
- b. have valid permits from the competent institutions;
- c. have infrastructures according to the specifications determined by BI-ETP System Operator set forth in Appendix I;

- d. have become participants in BI-RTGS System and BI-SSSS if Participants are Banks;
 - e. have lodged applications or have been appointed as the Main Dealer or Bidder under the applicable Finance Minister Regulation; and/or
 - f. have been appointed as SBN transaction participants under the applicable Finance Minister Regulation for Participant candidates other than the Main Dealer or Bidder set forth in letter e.
2. BI-ETP System Operator may determine different requirements and provisions according to particular needs and characteristics for parties set forth in point A.1 as Participants.

C. Procedures for Obtaining Approval as Participant

1. Request for Becoming Participant

- a. Participant candidate shall submit a written request to become Participant to BI-ETP System Operator following the letter example contained in Appendix II.1.
- b. If Participant candidate is a Sharia Business Unit, the request letter set forth in letter a shall be submitted by their head Bank following the letter example contained in Appendix II.1.
- c. The request letter set forth in letter a and letter b shall be signed by a member of the board of directors acting for and on behalf of the Participant candidate.
- d. The request letter shall be submitted to BI-ETP System Operator under the following provisions:
 - 1) it is addressed to the address as set forth in point II.A.3.

- 2) if the Participant candidate is headquartered within the operational area of domestic Bank Indonesia Representative Office (KPwDN), it is addressed to the address as set forth in point 1) the copy of which shall be delivered to the corresponding KPwDN office.
- e. The request letter shall be submitted to the BI-ETP System Operator with complete and accurate supporting documents as follows:
- 1) participation data in the format as specified in Appendix II.2;
 - 2) infrastructure readiness statement letter containing information on specification specified by the BI-ETP System Operator, signed by the authorized director(s) acting for and on behalf of the Participant candidate as shown in the letter example in Appendix II.2;
 - 3) request letter for Digital Certificate Hard Token and user level signed by the authorized director(s) acting for and on behalf of the Participant candidate as shown in the letter example in Appendix II.4;
 - 4) report on security audit on the Participant's information technology infrastructure conducted by independent internal or external auditors;
 - 5) if the security audit is conducted by an internal auditor, the security audit report set forth in number 4) shall be equipped with a statement letter that the security audit is conducted independently, signed by the authorized director(s) acting for and on behalf of the Participant candidate;

- 6) copy of valid permit from the competent institution;
- 7) copy of request or appointment document as the Main Dealer or Bidder;
- 8) copy of the latest company's Articles of Association;
- 9) copy of document containing the latest organizational chart;
- 10) power of attorney from the authorized director acting for and on behalf the Participant candidate under the articles of association to the officer providing signature specimen;
- 11) copy of one of the following valid resident's identity from the principal and proxy to submit signature specimen of the officer authorized to represent the Participant candidate as specified in number 10):
 - a) Resident's Identity Card (KTP) or Driving License (SIM) for Indonesian Citizen; or
 - b) passport and Temporary Residence Permit for Foreign Citizen.

f. The officer providing signature specimen set forth in point e.10) shall be as follows:

- 1) officer providing signature specimen shall be director and officer competent to act for and on behalf of the Participant candidate;
- 2) the director set forth in number 1) shall be director competent to act for and on behalf of the company under Articles of Association;
- 3) the officer set forth in number 1) shall be officer competent to act for and on behalf of the Participant candidate under a power of

attorney from the director competent to act for and on behalf of the company under articles of association.

g. The power of attorney set forth in point f.3) shall be made under the following provisions:

- 1) the power is granted to the officer in the headquarter and/or branch office of the Participant candidate operating BI-ETP System;
- 2) the power of attorney is made containing the power to sign, deliver, and/or collect letters, reports, and/or other written or electronic documents on participation and operation of BI-ETP System, deliver and/or collect user and Digital Certificate Hard Token;
- 3) the officer granted with power set forth in number 1) may re-grant the power without substitution right to the officer specifically appointed to deliver and/or collect letters, reports, and/or other written or electronic documents on participation and operation of BI-ETP System, deliver and/or collect user and Digital Certificate Hard Token;
- 4) matters for which power may be granted in the power of attorney set forth in number 2) may be specified in 1 (one) or more power of attorney according to the Participant's demand; and
- 5) the power of attorney shall be made in the format as specified in Appendix II.5.A and II.5.B.

- h. If necessary, BI-ETP System Operator may request the Participant candidate to present original documents set forth in point e.6) until e.11) to the BI-ETP System Operator.

2. Principal approval grant

- a. Based on the request letter set forth in point 1.a, BI-ETP System Operator may check the Participant candidate's location to ensure compliance of information in documents submitted with readiness of BI-ETP System infrastructure.
- b. BI-ETP System Operator shall grant principal approval or rejection for any requests lodged by the Participant candidate no later than 25 (twenty-five) working days as from the complete receipt of the request letter and supporting documents by BI-ETP System Operator.
- c. BI-ETP System Operator shall send notice of principal approval or rejection set forth in letter b to the Participant candidate.
- d. The principal approval letter set forth in letter c shall be accompanied by the following information:
 - 1) participant name and code;
 - 2) training plan;
 - 3) installation plan;
 - 4) request the Participant candidate to provide information on officer to sign the Agreement; and
 - 5) request the Participant candidate to fulfil other administrative requirements for implementation of operational activities.
- e. The Agreement set forth in point d.4) shall be as set forth in Appendix III.

- f. The request rejection letter set forth in letter c shall be accompanied by rejection reasons.

3. Fulfilment of Administrative Requirements

- a. The Participant candidate, who has obtained principal approval, shall submit the following administrative documents:
 - 1) information on official to sign the Agreement;
 - 2) appointment letter of Paying Bank signed by the director as shown in the example in Appendix II.6.A and approval confirmation letter from the Paying Bank as shown in the example in Appendix II.6.B, if the Participant candidate is not a BI-RTGS System. Paying Bank is appointed to implement imposition of costs arising from the use of BI-ETP System, including guest bank cost of BI-ETP System, and imposition of BI-ETP System sanctions;
 - 3) if a Participant lodges Transaction bid for and on behalf of another party, the Participant shall submit the list of name of such other party having transaction relationship in the format set forth in Appendix II.7.
- b. The administrative documents set forth in letter a shall be submitted no later than 20 (twenty) working days as from the date of the principal approval from BI-ETP System Operator.
- c. If a Participant candidate fails to fulfil the requirements within the time limit set forth in letter b, the granted principal approval shall be deemed canceled and the Participant candidate may lodge another request to become a Participant.

- d. BI-ETP System Operator shall check the completeness of the administrative documents set forth in letter a.
- e. If the documents are complete, BI-ETP System Operator shall submit among others the following to a Participant candidate:
 - 1) BI-ETP System application software package, including information on application username and password as well as notice of BI-ETP System application installation mechanism;
 - 2) submission of BI-ETP System technical guideline to the Participant; and
 - 3) information at least on:
 - a) implementation of Agreement signing;
 - b) collection of Digital Certificate Hard Token; and
 - c) time of BI-ETP System use training.

4. Preparation for BI-ETP System Use

- a. Agreement Signing
 - 1) On the determined schedule, the director shall process the Agreement signing.
 - 2) The director set forth in number 1) shall be present on the time and in the time determined by BI-ETP System Operator by presenting his/her original identity card set forth in point 3.a.1).
 - 3) The Agreement shall be signed in duplicate.
- b. Application Installation and Training
 - 1) The Participant candidate shall install the application and if necessary, they may coordinate with the BI-ETP System Operator.

- 2) The Participant candidate shall involve officer to handle the technical operation of BI-ETP System in the technical and operational training on the use of BI-ETP System according to the schedule determined by BI-ETP System Operator.

c. Test of BI-ETP System Use Readiness

The Participant candidate shall test the readiness of their BI-ETP System use in coordination with the BI-ETP System Operator.

d. BI-ETP System Operational Approval

- 1) If a Participant candidate has fulfilled all requirements set forth in point 3.a, point 3.b, and point 3.c, BI-ETP System Operator shall grant participation operational approval as a Participant and the operational effective date as a Participant by letter to the relevant Participant.
- 2) BI-ETP System Operator shall announce the participation as a Participant by Administrative Message or any other means to all Participants.
- 3) The operational approval set forth in point 1) shall be granted no later than 40 (forty) working days as from the complete receipt of the administrative documents set forth in point 3.a by BI-ETP System Operator.
- 4) If a Participant candidate fails to fulfil the requirements set forth in point 3.a, point 3.b, and point 3.c, BI-ETP System Operator shall not grant participation operational approval and the principal approval grant shall be deemed void.

- 5) The Participant candidate set forth in point 4) may submit another request as a Participant.

D. Participation Change

The scope of participation change among others includes change of Participant Code, participant name, business activity, office address, BI-ETP System location and data communication network, specimen signature official data, and/or Paying Bank. The provisions and procedures for participation data change are specified as follows:

1. Participant Code Change

Participant Code Change may occur among others because a Participant, who is not a member of the Society for Worldwide Interbank Financial Telecommunication (SWIFT), becomes a SWIFT member or because of the change of the Participant's SWIFT Bank Identifier Code (BIC).

Procedures for Participant Code change are specified as follows:

- a. The Participant shall submit a letter of Participant Code change to BI-ETP System Operator by attaching the following documents:
 - 1) participation data in the format specified in Appendix II.2; and
 - 2) supporting documents indicating the Participant a SWIFT member or showing the Participant's SWIFT BIC change.
- b. The letter set forth in letter a shall be signed by the signature specimen officer and submitted to BI-ETP System Operator under the following provisions:
 - 1) the letter shall be submitted to the address set forth in point II.A.3;

- 2) for Participant located in KPwDN operational area, the copy of the letter shall be delivered to the corresponding KPwDN.
- c. BI-ETP System Operator shall submit a written response by letter, which may be preceded by facsimile to the relevant Participant no later than 14 (fourteen) working days as from the complete receipt of the letter set forth in letter a by BI-ETP System Operator.
- d. The written response letter set forth in letter c shall inform among others:
 - 1) effective date of Participant Code change; and
 - 2) collection of substitute Digital Certificate Hard Token and return of the replaced Digital Certificate Hard Token.
- e. BI-ETP System Operator shall notify the Participant's Code change to all Participants by Administrative Message or by any other means.

2. Participant Name Change

Procedures for Participant name change are specified as follows:

- a. The Participant shall submit a letter of Participant name change to BI-ETP System Operator by attaching the following documents:
 - 1) participation data in the format specified in Appendix II.2 by using the name specified in the amendment to Articles of Association approved by the competent institution; and
 - 2) copies of the following documents:
 - a) deed of amendment to the Articles of Association for Indonesian legal entities;
 - b) approval letter for the amendment to Articles of Association from the competent institution; and

c) decision letter from the competent institution for the name change,

all of which have been signed and attested by a notary.

Banks headquartered overseas shall only submit the copy of the decision letter set forth in letter c), which has been legalized by the competent institution.

b. The letter set forth in letter a shall be signed by an officer authorized to affix his/her specimen signature and submitted to BI-ETP System Operator under the following provisions:

- 1) the letter shall be delivered to the address set forth in point II.A.3;
- 2) for Participant located in KPwDN operational area, the copy of the letter shall be delivered to the corresponding KPwDN.

c. BI-ETP System Operator shall submit a written response by letter, which may be preceded by facsimile to the relevant Participant no later than 14 (fourteen) working days as from the complete receipt of the letter set forth in letter a by BI-ETP System Operator.

d. The written response letter set forth in letter c shall inform among others:

- 1) effective date of Participant name change;
- 2) collection of substitute Digital Certificate Hard Token and return of the replaced Digital Certificate Hard Token, in the event of Participant Code change.

e. BI-ETP System Operator shall notify the Participant's name change to all Participants by Administrative Message or by any other means.

3. Change of Bank Participant's Business Activity

Change of Bank Participant's business activity from conventional commercial bank into sharia commercial bank or sharia business unit into sharia commercial bank may change the relevant Bank Participant's data; among others are name of Bank Participant and/or Participant Code. Procedures for change of Bank Participant's business activity are specified as follows:

a. Bank Participant shall submit a letter of business activity change to BI-ETP System Operator by using the example set forth in Appendix II.8 by attaching the following documents:

- 1) participation data in the format specified in Appendix II.2;
 - 2) copies of the following documents:
 - a) deed of amendment to the Articles of Association for Indonesian legal entities;
 - b) approval letter for the amendment to Articles of Association from the competent institution; and
 - c) decision letter from the competent institution on approval for change of business activity change from conventional commercial bank into sharia commercial bank,
- all of which have been signed and attested by a notary.

Banks headquartered overseas shall only submit the copy of the decision letter set forth in letter c), which has been legalized by the competent institution.

- b. The letter set forth in letter a shall be signed by an officer authorized to affix his/her specimen signature and submitted to BI-ETP System Operator under the following provisions:
 - 1) the letter shall be delivered to the address set forth in point II.A.3;
 - 2) for Participant located in KPwDN operational area, the copy of the letter shall be delivered to the corresponding KPwDN.
- c. BI-ETP System Operator shall submit a written response by letter, which may be preceded by facsimile to the relevant Participant no later than 14 (fourteen) working days as from the complete receipt of the letter set forth in letter a by BI-ETP System Operator.
- d. The written response letter set forth in letter c shall inform among others:
 - 1) effective date of Participant's business activity change;
 - 2) collection of substitute Digital Certificate Hard Token and return of the replaced Digital Certificate Hard Token, in the event of Participant Code change.
- e. BI-ETP System Operator shall notify the Participant's business activity change to all Participants by Administrative Message or by any other means.

4. Change of Participant's Office Address

Procedures for change of Participant's office address are specified as follows:

- a. The Participant shall submit a letter of address change to BI-ETP System Operator by attaching the following documents:

- 1) participation data in the format specified in Appendix II.2; and
 - 2) copy of approval letter or receipt of office address change notice from the competent institution, the copy of which has been signed and attested by a notary.
 - b. The letter set forth in letter a shall be signed by an officer authorized to affix his/her specimen signature and submitted to BI-ETP System Operator under the following provisions:
 - 1) the letter shall be delivered to the address set forth in point II.A.3;
 - 2) for Participant located in KPwDN operational area, the copy of the letter shall be delivered to the corresponding KPwDN.
 - c. BI-ETP System Operator shall submit a written response by letter, which may be preceded by facsimile to the relevant Participant, specifying that the Participant's address change has been recorded in the administration of BI-ETP System Operator, no later than 14 (fourteen) working days as from the complete receipt of the letter set forth in letter a by BI-ETP System Operator.
5. Change of Locations of Main BI-ETP System, Back-Up BI-ETP System, and Participant's Data Communication Network

Procedures for change of locations of main BI-ETP System, back-up BI-ETP System, and data communication network of the Participant are specified as follows:

- a. The Participant shall submit a letter of change of locations of main BI-ETP System, back-up BI-ETP System, and data communication

network to BI-ETP System Operator by attaching participation data in the format specified in Appendix II.2.

b. The letter set forth in letter a shall be signed by an officer authorized to affix his/her specimen signature and submitted to BI-ETP System Operator under the following provisions:

- 1) the letter shall be delivered to the address set forth in point II.A.3;
- 2) for Participant located in KPwDN operational area, the copy of the letter shall be delivered to the corresponding KPwDN.

c. BI-ETP System Operator shall submit a written response by letter, which may be preceded by facsimile to the relevant Participant, containing:

- 1) change of the Participant's locations of main BI-ETP System and/or back-up BI-ETP System has been recorded in the administration of BI-ETP System Operator;
- 2) time of data communication network movement; and
- 3) matters to be conducted by the Participant relating to the change of their locations of main BI-ETP System and/or back-up BI-ETP System.

6. Change of Signature Specimen Officer Data

Change of signature specimen officer data is made for addition, replacement, and/or change of signature specimen officer data, including change of authority and/or position. Procedures for change of signature specimen officer are specified as follows:

- a. The Participant shall submit a letter of change of signature specimen officer to BI-ETP System Operator by using the example in the format specified in Appendix II.9 and attaching the following documents:
- 1) participation data in the format specified in Appendix II.2;
 - 2) copy of deed of amendment to the Articles of Association or document containing the latest company's management structure, which has been signed and attested by a notary;
 - 3) in the event of addition to the number of signature specimen officer besides a director, a power of attorney shall be attached from the director authorized to act for and on behalf of the Participant under the Articles of Association;
 - 4) in the event of revocation of the entire or part of the powers granted to signature specimen officer other than a director, power revocation letter shall be attached signed by the director acting as the principal in the format specified in Appendix II.10;
 - 5) in the event of change of authority and/or position of signature specimen officer, the Participant shall attach:
 - a) a new power of attorney and power revocation letter from the director authorized to act for and on behalf of the Participant under the Articles of Association;
 - b) statement of validity of signature specimen of the signature specimen officer in the format specified in Appendix II.1.1;

- c) copy of one of the following valid identity card of the signature specimen officer:
 - (1) Resident's Identity Card (KTP) or Driving License (SIM) for Indonesian Citizen; or
 - (2) passport and Temporary Residence Permit (KITAS) for Foreign Citizen.
- b. If a Participant fails to notify the change of name, authority, and/or signature specimen officer's position to BI-ETP System Operator, the data administered by BI-ETP System Operator shall be deemed to remain valid.
- c. The letter set forth in letter a shall be signed by an officer authorized to affix his/her specimen signature and submitted to BI-ETP System Operator under the following provisions:
 - 1) the letter shall be delivered to the address set forth in point II.A.3;
 - 2) for Participant located in KPwDN operational area, the copy of the letter shall be delivered to the corresponding KPwDN.
- d. The specimen signature shall start to be effective as of the notice from BI-ETP System Operator of the effective date of the specimen signature or no later than 5 (five) working days as of the complete receipt letter of change of an officer authorized to affix his/her specimen signature by BI-ETP System Operator.
- e. The change of authority and/or position of an officer authorized to affix his/her specimen signature set forth in point a.5) shall start to be effective as of the date of the power revocation letter and the

complete receipt of the new power of attorney by BI-ETP System Operator.

7. Change of Paying Bank

Procedures for change of Paying Bank are specified as follows:

a. The Participant shall submit letter of change of Paying Bank to BI-ETP System Operator by attaching the following documents:

- 1) participation data in the format specified in Appendix II.2;
- 2) appointment of Paying Bank as specified in the example in Appendix II.6.A; and
- 3) approval confirmation letter from Paying Bank as specified in the example in Appendix II.6.B.

b. The letter set forth in letter a shall be signed by an officer authorized to affix his/her specimen signature and submitted to BI-ETP System Operator under the following provisions:

- 1) the letter shall be delivered to the address set forth in point II.A.3;
- 2) for Participant located in KPwDN operational area, the copy of the letter shall be delivered to the corresponding KPwDN.

c. BI-ETP System Operator shall submit a written response by letter, which may be preceded by facsimile to the relevant Participant no later than 14 (fourteen) working days as from the complete receipt of the letter set forth in letter a by BI-ETP System Operator.

8. In the event of inconsistency between the signature in the supporting documents for participation data change and the specimen signature of the authorized officer, the Participant shall submit a statement letter explaining

the reasons for such difference as specified in the example in Appendix II.12.

9. If the Participant is a participant of BI-RTGS System and/or BI-SSSS, the Participant may be permitted not to submit the enclosed documents set forth from number 1 until number 7, which have been submitted to the operator of BI-RTGS System and/or BI-SSSS.

E. Participation Status and Its Change

1. Participation Status

Participation status in BI-ETP System for Participants is differentiated into:

a. Active

Participant in active status may conduct all BI-ETP System operational activities according to the relevant Participant's roles.

b. Suspended

- 1) Participant in suspended status may not send Transaction order through BI-ETP System.
- 2) Participant in suspended status may obtain information contained in BI-ETP System.
- 3) Change of status into suspended may among others be made as the preparation for BI-ETP System participation closing.

c. Closed

- 1) Participant in closed status may not conduct all BI-ETP System operational activities because their participation in BI-ETP System has been terminated.
- 2) Participant in closed status may not be re-activated as a Participant.

2. Correlation between BI-ETP System Participation Status and BI-RTGS System and/or BI-SSSS

If the Participant is a participant of BI-RTGS System and/or BI-SSSS, the following provisions for participation status in BI-ETP System shall apply:

- a. Change of Participant status will not change the participation status in BI-RTGS System and/or BI-SSSS.
- b. Change of Participant status is affected by status change in BI-RTGS System and/or BI-SSSS as follows:
 - 1) If the change of Participant status in BI-RTGS System and/or BI-SSSS is delayed, BI-ETP System participation status may be suspended.
 - 2) If the participation status in BI-RTGS System and/or BI-SSSS is suspended or closed, the same will result in BI-ETP System participation status.

3. Participation Status Change

- a. Provisions for participation status change
 - 1) Participation status change may be made as follow:
 - a) active into suspended or vice versa;
 - b) active into closed; or
 - c) suspended into closed.
 - 2) The participation status change set forth in number 1) is made by BI-ETP System Operator based on the following reasons:
 - a) change of participation status in BI-RTGS System and/or BI-SSSS;
 - b) sanction imposition by BI-ETP System Operator;

- c) revocation of appointment as the Main Dealer and Bidder by the Ministry of Finance for Participant who only plays the function as the Main Dealer and Bidder;
 - d) written request from the institution competent in conducting supervision of Participants, among others are:
 - (1) Bank Indonesia; and/or
 - (2) Financial Services Authority (OJK); and/or
 - e) written request from the relevant Participant to change participation status from active into closed, based on among others self-liquidation, merger, consolidation, separation, or any other reasons under the applicable laws and regulations, for which approval from Bank Indonesia or OJK has been obtained.
- 3) If participation status is going to be changed into closed, the Participant shall complete all obligations in BI-ETP System operation, among others are imposition of costs arising from BI-ETP System use and/or return of Digital Certificate Hard Token to BI-ETP System Operator.
- 4) If participation status changes into closed due to merger, consolidation, or separation, completion of the rights and obligations set forth in number 3) shall shift to the Participant resulting from the merger, consolidation, or separation based a statement letter of rights and obligations takeover from the Participant resulting from the merger, consolidation, or separation.

5) In the event of Participant status change set forth in number 4), BI-ETP System Operator shall inform such change to:

- a) the relevant Participant by written notice which may be preceded by facsimile or any other means;
- b) all Participants by Administrative Message or any other means; and/or
- c) the institution competent in conducting supervision of Participant activities by written notice which may be preceded by facsimile or any other means.

b. Procedures for participation status change

1) Participation status change due to imposition of sanctions by BI-ETP System Operator

- a) The participation status change set forth in point a.2)b) may be made by BI-ETP System Operator based on the monitoring result of the Participant's compliance with the provisions specified by BI-ETP System Operator.
- b) Participation status change may be made based on the status change effective date specified by BI-ETP System Operator, which shall be notified at least 1 (one) working day before.
- c) BI-ETP System Operator shall inform the participation status change of the relevant Participant to the parties set forth in point a.5)b) and point a.5)c).

- 2) Participation status change by a written request from an institution competent in conducting supervision of Participant's activities is specified as follows:
- a) The institution competent in conducting supervision set forth in point a.2)d) shall submit a request letter of participation status change to BI-ETP System Operator to the address set forth in point II.A.3.
 - b) The request letter set forth in letter a) shall contain among others:
 - (1) Participant's name and the requested participation status change;
 - (2) reasons for participation status change; and
 - (3) effective date of participation status change,by attaching supporting documents relating to the reasons for participation status change request.
 - c) Based on the request letter set forth in letter a), BI-ETP System Operator shall approve and change the participation status after:
 - (1) the complete receipt of the documents set forth in letter b); and
 - (2) the Participant has completed all obligations set forth in point a.3) if the participation status is changed into closed.
 - d) BI-ETP System Operator shall inform the participation status change to the party set forth in point a.5).

3) Participation Status Change at the Participant's Written Request

a) Request for Participation Status Change Due to Self-Liquidation Process and other reasons

(1) The Participant may submit a request letter for participation status change to BI-ETP System Operator from active into closed by attaching the following documents:

- (a) copy of business license revocation decision if the Participant executes self-liquidation;
- (b) any other documents for participation status change conducted for other reasons, which have been approved by BI-ETP System Operator or the supervisory institution of the Participant's activities.

(2) The request letter set forth in number (1) shall be signed by a director acting for and on behalf of the Participant candidate and delivered to BI-ETP System Operator under the following provisions:

- (a) the letter shall be delivered to BI-ETP System Operator at the address set forth in point II.A.3; and
- (b) for Participant located in KPwDN operational area, the copy of the request letter set forth in letter (a) shall be delivered to the corresponding KPwDN.

(3) Based on the request letter set forth in number (1), BI-ETP System Operator shall change the participation status after:

(a) the complete receipt of the documents set forth in number (1); and

(b) the Participant has fulfilled all obligations set forth in point a.3).

(4) BI-ETP System Operator shall inform the participation status change to the party set forth in point a.5).

b) Participation Status Change Due to Merger

(1) Each merging Participant shall submit a request letter for participation closing under the following provisions:

(a) The request letter for participation closing shall at least contain:

1.1. merger approval from the competent institution;

1.2. request for BI-ETP System participation closing and implementation time of BI-ETP System participation closing;

1.3. assignment of rights and delegation of obligations related to participation on BI-ETP System of the merging Participant to the Participant receiving

the merger, as of the legal merger date;
and

1.4. revocation of specimen signature of the
merging Participant, as of the legal
merger date.

(b) The request letter for participation closing to
BI-ETP System Operator shall use the
example specified in Appendix II.13.

(c) The request letter for participation closing is
equipped with the following documents as
required:

1.1. copy of decision letter from the
institution competent in approving the
merger; and

1.2. copy of the latest articles of association
of the merging Participant,

(2) The Participant accepting the merging shall submit
a merger notice under the following provisions:

(a) Merger notice shall at least contain:

1.1. merger approval from the competent
institution;

1.2. information on Participant accepting the
merging and the merging Participant;

1.3. implementation time of operational
transition in BI-ETP System operation

from the merging Participant to the Participant accepting the merger;

1.4. implementation time of participation closing on BI-ETP System from the merging Participant;

1.5. takeover of rights and obligations of the merging Participant by the Participating accepting the merger as of the legal merger date; and

1.6. information on merger announcement on a national daily newspaper.

(b) Merger notice to BI-ETP System Operator shall use the example specified in Appendix II.14.

(c) The merger notice shall be equipped with a statement containing at least:

1.1. takeover of rights and obligations of the merging Participant as of the legal merger date;

1.2. enforcement of specimen signature for the Participant accepting the merger and affirmation of status of the specimen signature of the merging Participant;

1.3. takeover of operational authorities and responsibilities of the merging

Participant as of the legal merger date
until the operational merger date.

(d) Merger statement letter shall use the format as
specified in Appendix II.15.

(3) If the Participant accepting merger has received the
documents related to the merger process from the
Ministry of Law and Human Rights, the Participant
accepting the merger shall submit the following
documents to BI-ETP System Operator:

- (a) copy of merger deed;
- (b) copy of deed of amendment to the Articles of
Association of the Participant accepting the
merger;
- (c) copy of merger permit from the institution
competent in granting approval for Merger;
and
- (d) copy of approval letter of the amendment to
the Articles of Association from the Ministry
of Law and Human Rights or registration
document of Merger Deed and Deed of
Amendment to the Articles of Association.

all of which have been approved by the competent
official.

(4) The letter set forth in point (1)(a), point (2)(a), and
point (2)(d) shall be signed by the official affixing

his/her specimen signature and submitted to BI-ETP System Operator under the following provisions:

- (a) the letter shall be submitted to BI-ETP System Operator to the address specified in point II.A.3; and
 - (b) for Participant located in KPwDN operational area, the copy of the letter shall be delivered to the corresponding KPwDN.
- (5) BI-ETP System Operator shall notify the Participant accepting the merger by letter on the approval for the merger implementation time by participation on BI-ETP System as well as things to do by the relevant Participant, after the complete receipt of the document set forth in number (1) and (2).
- (6) BI-ETP System Operator shall notify all Participants by Administrative Message or any other means on the approval for the operational merger on BI-ETP System and participation closing on BI-ETP System of the merging Participant.
- (7) Participation status on BI-ETP System of the merging Participant shall start to effectively change into closed on the operational merger implementation date on BI-ETP System.
- (8) BI-ETP System Operator shall inform the notice of participation closing on BI-ETP System of the

merging Participant to the party specified in point 3.a.5)b) and 3.a.5)c).

c) Participation Status Change Due to Consolidation

(1) Participant candidate resulting from consolidation must submit a request for becoming Participant by following the participation general provisions as specified in letter A, the requirements for becoming Participant as specified in letter B, and procedure for becoming Participant as specified in letter C.

(2) Participant candidate resulting from consolidation shall submit a notice of consolidation under the following provisions:

(a) Request letter for participation closing containing at least:

1.1. consolidation approval from the competent institution;

1.2. information on the Participant candidate resulting from consolidation and the consolidating Participant;

1.3. implementation time of operational takeover in BI-ETP System operation from the consolidating Participant to the Participant candidate resulting from consolidation;

1.4. implementation time of participation closing on BI-ETP System from the consolidating Participant;

1.5. takeover of rights and obligations of the consolidating Participant by the Participant resulting from consolidation as of the legal consolidation date; and

1.6. information on consolidation announcement on a national daily newspaper;

(b) Consolidation notice to BI-ETP System Operator shall use the example as specified in Appendix II.14.

(c) The consolidation notice shall be equipped with a statement containing at least:

1.1. takeover of rights and obligations of the consolidating Participant as of the legal merger date;

1.2. enforcement of specimen signature for the Participant resulting from consolidation and affirmation of status of the specimen signature of the consolidating Participant; and

1.3. takeover of operational authorities and responsibilities of the consolidating

Participant as of the legal consolidation date until the operational consolidation date on BI-ETP System.

(d) Consolidation statement letter shall use the format as specified in Appendix II.15.

(3) If the Participant resulting from consolidation has received the documents related to the consolidation process from the Ministry of Law and Human Rights, the Participant candidate resulting from consolidation shall submit the following documents to BI-ETP System Operator:

- (a) deed of consolidation;
- (b) deed of establishment of the Participant resulting from consolidation;
- (c) the latest Articles of Association of the consolidating Participant;
- (d) consolidation permit from the institution competent in granting approval for the consolidation; and
- (e) limited liability company approval from the Ministry of Law and Human Rights for the deed of establishment of the Participant resulting from consolidation.

all of which have been approved by the competent official.

(4) Each consolidating Participant shall submit a request letter for participation closing under the following provisions:

(a) Request letter for participation closing containing at least:

1.1. consolidation approval from the competent institution;

1.2. request for BI-ETP System participation closing and implementation time of operational consolidation on BI-ETP System;

1.3. takeover of rights and obligations of the consolidating Participant by the Participant as of the legal consolidation date; and

1.4. revocation of specimen signature of the consolidating Participant's official as of the legal consolidation date.

(b) Request letter for participation closing to BI-ETP System Operator shall use the example specified in Appendix II.13.

(c) The request letter set forth in letter (a) is equipped with the following documents as required:

1.1. copy of decision of the institution
competent in approving the
consolidation; and

1.2. copy of the latest Articles of Association
of the consolidating Participant,

all of which have been approved by the
competent official.

(5) The letter set forth in point (2)(a), point (2)(c), and
the document set forth in number (4) shall be signed
by the director and submitted to BI-ETP System
Operator under the following provisions:

(a) the letter shall be submitted to BI-ETP System
Operator to the address specified in point
II.A.3;

(b) for Participant located in KPwDN operational
area, the copy of the letter shall be delivered
to the corresponding KPwDN.

(6) BI-ETP System Operator shall notify the Participant
resulting from consolidation by letter on the
approval for the operational consolidation
implementation time on BI-ETP System as well as
things to do by the relevant Participant, after the
complete receipt of the document set forth in
number (2), number (3), and number (4).

- (7) BI-ETP System Operator shall notify all Participants by Administrative Message or any other means on the approval for the participation change implementation on BI-ETP System and participation closing on BI-ETP System of the consolidating Participant.
 - (8) Participation status on BI-ETP System of the consolidating Participant shall start to effectively change into closed on the participation consolidation implementation date on BI-ETP System.
 - (9) BI-ETP System Operator shall notify all Participants by Administrative Message or any other means on the participation closing on BI-ETP System of the consolidating Participant.
- d) Participation Change Due to Separation
- (1) Participation change due to separation may be conducted if a Participating Sharia Business Unit conducts separation from a Participating Conventional Commercial Bank as their parent by establishing a new Sharia Commercial Bank or assigning their rights and delegating their obligations to the existing Sharia Commercial Bank.
 - (2) Procedures for participation change due to separation by establishing a new Sharia Commercial

Bank shall follow the procedures for participation change due to consolidation as specified in letter c).

- (3) Procedures for participation change due to separation by assigning rights and delegating obligations of a Sharia Business Unit to an existing SCB shall follow the procedures for participation change due to merger as specified in letter b).

- c. If a Participant is a participant of BI-RTGS System and/or BI-SSSS, the Participant may opt not to submit the attachments specified in letter b, which have been submitted to the operator of BI-RTGS System and/or BI-SSSS.

F. Participant's Obligation

For BI-ETP System operation, Participants must conduct the following:

1. maintain smoothness and safety of BI-ETP System use, among others by conducting the following:
 - a. formulate written policies and procedures supporting an acceptable internal control system in BI-ETP System operational implementation, including procedures for BI-ETP System use safety within the Participant's internal office, which shall be governed as follows:
 - 1) Written policies and procedures are written regulations specified by the competent official under the Participant's applicable internal regulations and applicable as a BI-ETP System operational guideline for the Participant.

- 2) Written policies and procedures are formulated within 6 (six) months at the maximum as of the participation effective date on BI-ETP System and submitted to BI-ETP System Operator.
- 3) The policies and procedures are written in Indonesian. If the policies and procedures are written in a foreign language, they must be translated into Indonesian by a sworn translator.
- 4) Written policies and procedures are formulated by referring to the provisions for BI-ETP System specified by BI-ETP System Operator and written bye-laws between Participants related to BI-ETP System operation.
- 5) Written policies and procedures shall at least contain the following:
 - a) introduction;
 - b) BI-ETP System operation organization;
 - c) security system, including Digital Certificate Hard Token security;
 - d) BI-ETP System operational provisions and procedures;
 - e) BI-ETP System operational supervision; and
 - f) management of Abnormal Conditions and/or Emergencies.Details of minimum scope of the written policies and procedures are specified in “Guideline for Written Policies and Procedures” as specified in Appendix IV.
- 6) In the event of change of written policies and procedures set forth in number 5) and/or change of provisions issued by BI-ETP System Operator and/or written bye-laws between

Participants affecting the written policies and procedures, the Participant must update the written policies and procedures.

- 7) Update of the written policies and procedures set forth in number 6) shall be made within 6 (six) months in maximum as of the submission to BI-ETP System Operator of changes of such material and provision and the written policies and procedures set forth in number 6).
- b. conduct an internal checking, which guarantees BI-ETP System operational security under the following provisions:
 - 1) internal checking aims to check BI-ETP System to guarantee BI-ETP System operational security;
 - 2) scope of internal checking implementation shall at least include compliance of evaluation material submitted by BI-ETP System Operator.
 - c. conduct security audit under the following provisions:
 - 1) security audit aims to ensure security and reliability of the Participant's internal information technology as well as the condition where they conduct operational activities;
 - 2) security audit shall be conducted at least once every 3 (three) years as of the Participant's effective date or anytime changes occur in their internal information technology system related to BI-ETP System;
 - 3) security audit may be conducted by the Participant's internal auditor or an independent external auditor.

- 4) If the security audit is conducted by an internal auditor, the security audit result set forth in number 3) shall be equipped with a statement that security audit is conducted independently, signed by the director authorized to act for and on behalf of the Participant's candidate;
- d. have guideline for Disaster Recovery Plan and Business Continuity Plan under the following provisions:
- 1) guideline for Disaster Recovery Plan and Business Continuity Plan shall contain procedure to be followed by Participant in the event of Abnormal Conditions and/or Emergencies to ensure that the Participant's BI-ETP System operation or any other efforts may be conducted if the back-up system cannot be used;
 - 2) the guideline for Disaster Recovery Plan set forth in number 1) shall at least contain the following:
 - a) the responsible working unit;
 - b) coordination mechanism if there are several responsible units;
 - c) procedure for back-up infrastructure preparation to guarantee BI-ETP System operation;
 - d) reporting and monitoring mechanism; and
 - e) operational officer (including telephone number reachable at anytime).
 - 3) the guideline for Business Continuity Plan set forth in number 1) shall at least contain the following:
 - a) the responsible working unit;

- b) coordination mechanism if there are several responsible units;
 - c) business measures to be taken to guarantee BI-ETP System operation;
 - d) mechanism to test procedures for Business Continuity Plan;
 - e) reporting and monitoring mechanism; and
 - f) operational officer (including telephone number reachable at anytime).
- e. use BI-ETP System application according to BI-ETP System Technical Guideline Book issued by BI-ETP System Operator;
- f. update participation;
- g. maintain data under the following provisions:
 - 1) data stored in electronic media and/or resulting from BI-ETP System computer processing must be adequately observed and its confidentiality must be maintained, among others protected from unauthorized access;
 - 2) the data set forth in number 1) shall among others include transaction data, application provided by BI-ETP System Operator;
 - 3) data back-up as set forth in number 1) into electronic media;
 - 4) ensure that the data set forth in number 1) and its back-up in number 3) is not damaged; and
 - 5) store all data set forth in number 1) and its back-up in number 3) according to the archiving provisions internally applicable

within the Participant's office and retention period according to the laws and regulations on corporate documents.

- h. guarantee the main BI-ETP System and back-up BI-ETP System function properly to conduct various BI-ETP System activities during BI-ETP System operational hours.

To guarantee the main BI-ETP System and back-up BI-ETP System function properly, the Participant shall conduct the following:

- 1) ensure the officer handling BI-ETP System understands BI-ETP System operational system and procedure specified by BI-ETP System Operator and the Participant's internal office, among others through periodic training;
- 2) regulate and determine users and the authority of users conducting BI-ETP System operation by observing the following:
 - a) regulation of user's authority by observing the span of control to minimize human errors and misuse of such authority;
 - b) transmission of Transactions in a hierarchical manner by the level of officer's authority;
 - c) regulation of substitute officer for users according to their respective roles;
 - d) determination and administration of users holding Digital Certificate Hard Token, including the token serial number;

- e) security of Digital Certificate Hard Token used by the determined users; and
 - f) storage of security documents related to users and Digital Certificate Hard Tokens;
- 3) provide and manage back-up system for BI-ETP System in the Participant as follows:
- a) selection of the Participant's type and location of back-up BI-ETP System and back-up data communication network is at the option of each Participation;
 - b) selection of the Participant's type and location of back-up BI-ETP System and back-up data communication network set forth in letter a) shall be made based on the following considerations:
 - (1) volume of Participant's Transactions and the urgency level of BI-ETP System for Participants; and
 - (2) internal control to mitigate operational risks in Participants;
- 4) guarantee proper function of back-up BI-ETP System among others by:
- a) conduct the following periodic tests of the BI-ETP System connection:
 - (1) back-up BI-ETP System connection test, including test of back-up data communication network and/or data.

(2) the back-up BI-ETP System connection test set forth in number (1) may be conducted by using:

(a) environment testing of BI-ETP System Operator during operational hours of BI-ETP System Operator; or

(b) environment production of BI-ETP System Operator as scheduled by BI-ETP System Operator, namely on Fridays of the first and third weeks after end-of-day process by BI-ETP System Operator completes, and it will last for 1 (one) hour;

(3) procedure for back-up BI-ETP System connection test are specified as follows:

(a) Participant shall submit back-up BI-ETP System connection test by Administrative Message to BI-ETP System Operator no later than 1 (one) working day prior to the back-up BI-ETP System connection test;

(b) BI-ETP System Operator shall notify the back-up BI-ETP System connection test to Participants by Administrative Message; and

(c) Participants shall submit written report of the result of back-up BI-ETP System connection test to BI-ETP System Operator no later than 1 (one) working day after the test completes;

b) operate back-up BI-ETP System for operational activities in normal condition as follows:

(1) periodic operation at least annually;

(2) back-up system operation for operational activities in normal condition may include back-up data communication network.

(3) procedure for using back-up BI-ETP System for operational activities in normal conditions shall be as follows:

(a) Participant shall submit a request for use of back-up BI-ETP System for operational activities in normal conditions by Administrative Message to BI-ETP System Operator no later than 1 (one) working day prior to using back-up BI-ETP System and/or back-up data communication network;

(b) BI-ETP System Operator shall notify approval for back-up BI-ETP System use and/or back-up data communication network for operational activities in normal conditions to Participant by Administrative Message; and

(c) Participant shall submit a written report on the result of use of back-up BI-ETP System use and/or back-up data communication network for operational activities in normal conditions

to BI-ETP System Operator no later than 1
(one) working day after the implementation
completes.

- 5) guarantee security and reliability of data communication network used to connect the main BI-ETP System and/or back-up BI-ETP System.
- 6) take necessary preventive measures to ensure proper function and free from virus condition of the infrastructure and software used in BI-ETP System, including the infrastructure and software related to BI-ETP System;
- 7) guarantee the integrity of BI-ETP System database existing on the main BI-ETP System and/or back-up BI-ETP System, including the back-up data stored in CDs, flash disks, and other media;
- 8) install whenever the main BI-ETP System and/or back-up BI-ETP System applications change according to the BI-ETP System Technical Guideline Book issued by BI-ETP System Operator;
- 9) properly store BI-ETP System application, including any changes of BI-ETP System application provided by BI-ETP System Operator in a secure place free from any sources potentially damaging BI-ETP System application; and
- 10) extend the validity period of Digital Certificate Hard Token according to the time determined by BI-ETP System Operator;

2. assume responsibility for the accuracy of transactions, transaction instructions, and/or all information sent by Participants to BI-ETP System Operator through BI-ETP System;
3. conduct BI-ETP System operational activities under the Agreement and provisions for BI-ETP System operation and other relevant provisions;
4. inform transaction cost through BI-ETP System in a transparent manner as specified in brokerage line if the Participant is a broker company in Rupiah and foreign currency markets as well as security companies;
5. provide data and information on BI-ETP System operational activities requested by Bank Indonesia for implementation of Participant's compliance monitoring; and
6. comply with regulations issued by the association on BI-ETP System implementation.

IV. BI-ETP SYSTEM OPERATION

A. BI-ETP System Operational Time

1. BI-ETP System Operator shall determine BI-ETP System operation, including operational days and hours.
2. BI-ETP System operational days shall be working days, unless specified otherwise by BI-ETP System Operator.
3. BI-ETP System operational hours shall be as follows:
 - a. Opening hour of BI-ETP System shall be at 06.30 West Indonesia Time.
 - b. Transaction hours:

- 1) Transactions with Bank Indonesia shall refer to Bank Indonesia provisions among others for monetary operations, sharia monetary operations, tender for sovereign securities in the primary market, and administration of sovereign securities.
- 2) Financial Market Transactions shall start from 07.00 West Indonesia Time until 17.30 West Indonesia Time under the following provisions:
 - a) transactions with underlying securities administered on BI-SSSS:
 - (1) if a settlement is made on the same day as the transaction date, such transaction shall be made no later than 16.30 West Indonesia Time;
 - (2) if a settlement is made after the transaction date, such transaction shall be made no later than 17.30 West Indonesia Time;
 - b) transactions without underlying securities administered on BI-SSSS shall be made no later than 17.30 West Indonesia Time.
 - c. BI-ETP System shall be closed at 18.30 West Indonesia Time or at the same hour of BI-SSSS closing hour.
4. The BI-ETP System operational hours set forth in number 3 shall be applicable in normal conditions and shall be subject to change by BI-ETP System Operator under the provisions specified in number 5.
5. Change of BI-ETP System operational hours and Transaction window time shall be as follows:

- a. BI-ETP System operational hours and Transaction window time shall be subject to change by BI-ETP System Operator under BI-ETP System Operator's policy;
 - b. the change of operational hours set forth in letter a may be made among others based on the following considerations:
 - 1) Abnormal Conditions on BI-ETP System, BI-SSSS, and/or BI-RTGS System and/or Emergencies; and/or
 - 2) change of time in Transactions With Bank Indonesia resulting in change of BI-ETP System operational hours.
6. If BI-ETP System operational days are determined otherwise and/or BI-ETP System operational hours change, BI-ETP System Operator shall notify such change to all Participants by Administrative Message and/or any other means.

B. User Management and Use of Digital Certificate Hard Token

1. BI-ETP System Users

- a. Participant shall operate BI-ETP System based on the authority of level users, consisting of administrator, supervisor, and operator specified as follows:
 - 1) Administrator
 - a) Administrator shall be user authorized among others to set approval for supervisor limit and broker bidding limit.
 - b) BI-ETP System Operator shall give 2 (two) administrator levels and their passwords to the Participant.
 - 2) Supervisor

- a) Supervisor shall have an operational authority on BI-ETP System to perform functions relating to message delivery among Participants and supervisory activities, including approving or rejecting data on Transactions With Bank Indonesia sent by the operator.
- b) BI-ETP System Operator shall give 4 (four) supervisor levels and their passwords to the Participant.
- c) The Participant may set the approval for limits in sending Transactions With Bank Indonesia conducted by the supervisor (supervisor limit).

3) Operator

- a) Operator shall be user authorized to make an entry or construct, change Transaction data, cancel Financial Market Transaction quotations, and send Administrative Messages among Participants.
 - b) Operator may not access menu and functions of administrator and supervisor activities.
 - c) BI-ETP System Operator shall give 4 (four) operator levels and their passwords to the Participant.
- b. The Participant shall have a policy regulating user levels set forth in letter a in the Participant's Written Policies and Procedures, among others including management of user levels, passwords, and obligations.

- c. Addition of users exceeding the number set forth in point a.1)b), point a.2)b), and point a.3)c) may be provided to Participants with the approval of BI-ETP System Operator.

2. Use of Digital Certificate Hard Token

- a. BI-ETP System Operator shall give 1 (one) Digital Certificate Hard Token for each user.
- b. Digital Certificate Hard Token is equipped among others with username and personal identification number (PIN).
- c. Participant shall use Digital Certificate Hard Token to access and make transactions through BI-ETP System.
- d. The active period of Digital Certificate Hard Token shall be 2 (two) years in maximum as of the effective date.
- e. Participant may request for replacement of Digital Certificate Hard Token, which is lost/broken or unusable for any other reasons.
- f. Addition of Digital Certificate Hard Token due to addition of users set forth in point 1.c and/or replacement of Digital Certificate Hard Token, which is lost/broken or unusable for any other reasons set forth in letter c shall be charged with some costs.

3. Procedure for Addition of Users, Replacement and/or Active Period Extension of Digital Certificate Hard Token

- a. Request for addition of users shall be made under the following provisions:
 - 1) Participant shall submit a request letter for addition of users, containing at least the following information:
 - a) Participant's name and code;

- b) number of addition of users and user levels; and
 - c) reasons for request for addition of users if the requested addition of users exceeds the number set forth in point 1.c.
 - 2) The request letter set forth in number 1) shall be made following the example in Appendix II.4.
 - 3) The request letter set forth in number 1) shall be signed by the officer affixing his/her specimen signature and submitted to BI-ETP System Operator under the following provisions:
 - a) the letter is delivered to the address set forth in point II.A.3.
 - b) for Participant located in KPwDN operational area, the copy of the letter shall be delivered to the corresponding KPwDN.
- b. Replacement of Digital Certificate Hard Token
- 1) Participant shall submit a request letter for replacement of Digital Certificate Hard Token, containing at least the following information:
 - a) Participant's name and code;
 - b) serial number of Digital Certificate Hard Token;
 - c) reasons for requested for replacement of Digital Certificate Hard Token; and
 - d) user level on the Digital Certificate Hard Token to be replaced.
 - 2) The request letter set forth in number 1) shall be accompanied by:

- a) Digital Certificate Hard Token if the Participant requests for replacement of broken Digital Certificate Hard Token;
or
 - b) lost goods certificate from the police if the Participant loses their Digital Certificate Hard Token.
- 3) The request letter set forth in number 1) shall be made following the example in Appendix II.4.
- 4) The request letter set forth in number 1) shall be signed by the officer affixing his/her specimen signature and submitted to BI-ETP System Operator under the following provisions:
 - a) the letter is delivered to the address set forth in point II.A.3.
 - b) for Participant located in KPwDN operational area, the copy of the letter shall be delivered to the corresponding KPwDN.
- c. Extension of active period of Digital Certificate Hard Token
 - 1) Participant shall submit a request letter for extension of active period of Digital Certificate Hard Token, containing at least the following information:
 - a) Participant's name and code;
 - b) serial number of Digital Certificate Hard Token; and
 - c) user level on the Digital Certificate Hard Token whose active period will be extended.

- 2) The request letter set forth in number 1) shall be accompanied by the Digital Certificate Hard Token whose active period will be extended.
 - 3) The request letter set forth in number 1) shall be made following the example in Appendix II.4.
 - 4) The request letter set forth in number 1) shall be signed by the officer affixing his/her specimen signature and submitted to BI-ETP System Operator under the following provisions:
 - a) the letter is delivered to the address set forth in point II.A.3.
 - b) for Participant located in KPwDN operational area, the copy of the letter shall be delivered to the corresponding KPwDN.
 - 5) The request letter for extension of active period shall be submitted to BI-ETP System Operator no later than 1 (one) month prior to the expiration of the active period of the Digital Certificate Hard Token.
- d. BI-ETP System Operator shall grant approval for or rejection of the request set forth in letter a, letter b, and letter c under the following provisions:
- 1) The approval for or rejection of the request shall be submitted by BI-ETP System Operator to Participant no later than 15 (fifteen) working days as of the complete receipt by BI-ETP System Operator of the request letter set forth in point a.1), point b.1), and/or point c.1);

- 2) The approval for or rejection shall be submitted in writing to the Participant and may be preceded by facsimile and Administrative Message;
 - 3) The approval notice shall be accompanied by information on collection of documents of users, passwords, and/or Digital Certificate Hard Token.
- e. Collection of Digital Certificate Hard Token shall be made under the following provisions:
- 1) for Participant headquartered within the operational area of Bank Indonesia headquarters, collection of documents of users, passwords, and/or Digital Certificate Hard Token shall be made in the office of BI-ETP System Operator.
 - 2) for Participant located in KPwDN operational area, collection of documents of users, passwords, and/or Digital Certificate Hard Token shall be made in:
 - a) the corresponding KPwDN; or
 - b) the office of BI-ETP System Operator if the Participant has a branch office within the operational area of Bank Indonesia headquarters.
 - 3) Collection of documents of users, passwords, and/or Digital Certificate Hard Token shall be made by the officer affixing his/her specimen signature or officer authorized by the officer affixing his/her specimen signature.
- f. BI-ETP System Operator shall charge some costs to the Participant's Rupiah Current Account administered with Bank Indonesia for the

addition of users equipped with Digital Certificate Hard Token exceeding the specified number as set forth in point 1.c and/or replacement of Digital Certificate Hard Token as set forth in point 2.e.

4. Provisions for User Deletion

- a. Users may be deleted on the initiative of BI-ETP System Operator or at the Participant's request.
- b. Users will be deleted by BI-ETP System Operator among others if the participation of a Participant has been terminated in BI-ETP System operation.
- c. Procedure for user deletion at the Participant's request set forth in letter a shall be specified as follows:
 - 1) Participant shall submit a request letter for user deletion to BI-ETP System Operator at the address set forth in point II.A.3, which may be preceded by facsimile or any other means.
 - 2) The request letter for user deletion set forth in number 1) shall be made following the example in Appendix II.4.
 - 3) The request letter for user deletion shall be accompanied by return of Digital Certificate Hard Token whose user is requested for deletion.
 - 4) BI-ETP System Operator shall submit a notice to the Participant on deletion of user and/or Digital Certificate Hard Token.

5. Mechanism for Resetting Application's Passwords, Unlocking Usernames, and/or Resetting Digital Certificate Hard Token PIN

Participant may request for resetting application's passwords, unlocking usernames, and/or resetting Digital Certificate Hard Token PIN as follows:

- a. Request for resetting application's passwords
 - 1) Participant shall request for resetting application's passwords to BI-ETP System Operator by letter signed by the officer affixing his/her specimen signature in BI-ETP System Operator, containing at least the following information:
 - a) Participant's name and code;
 - b) username of application whose password is requested for resetting; and
 - c) name and phone number of the reachable authorized officer of the relevant Participant.
 - 2) The request letter set forth in number 1) shall be submitted to BI-ETP System Operator at the address set forth in point II.A.3 and may be preceded by facsimile or Administrative Message.
 - 3) Based on the request letter set forth in number 1), BI-ETP System Operator shall inform the application's password to the Participant by letter, which may be preceded by facsimile or any other means.
 - 4) The user's password set forth in number 1) set forth in number 3) shall be collected by the officer affixing his/her specimen signature in BI-ETP System Operator or the officer authorized by the officer affixing his/her specimen signature in BI-ETP System Operator.
- b. Request for unlocking the username in Digital Certificate Hard Token
 - 1) Participant shall request for resetting application's passwords to BI-ETP System Operator by letter signed by the officer affixing

his/her specimen signature in BI-ETP System Operator, containing at least the following information:

- a) Participant's name and code;
- b) username requested for unlocking; and
- c) name and phone number of the reachable authorized officer of the relevant Participant.

2) The request letter set forth in number 1) shall be submitted to BI-ETP System Operator at the address set forth in point II.A.3 and may be preceded by facsimile or Administrative Message.

3) Based on the request letter set forth in number 1), BI-ETP System Operator shall inform the completion of the application's username unlocking process to the Participant by letter, which may be preceded by facsimile or any other means.

c. Request for resetting Digital Certificate Hard Token PIN

1) Participant shall request for resetting Digital Certificate Hard Token PIN to BI-ETP System Operator by letter signed by the officer affixing his/her specimen signature in BI-ETP System Operator, containing at least the following information:

- a) Participant's name and code;
- b) username attached to the Digital Certificate Hard Token requested for resetting;
- c) serial number of Digital Certificate Hard Token; and
- d) name and phone number of the reachable authorized officer of the relevant Participant.

- 2) The request letter set forth in number 1) shall be submitted to BI-ETP System Operator at the address set forth in point II.A.3 and may be preceded by facsimile or Administrative Message.
- 3) Based on the request letter set forth in number 1), BI-ETP System Operator shall inform the relevant Participant's authorized officer by phone to reset the password of Digital Certificate Hard Token on BI-ETP System by following the completion process as informed by BI-ETP System Operator.

C. Account Management and Broker Bidding Limit

1. Account Management (Portfolio and Position Account)

BI-ETP System Operator shall set accounts for preparation of BI-ETP System operation including:

a. Portfolio

- 1) BI-ETP System Operator shall register Portfolio of each BI-ETP System's Participant.
- 2) The portfolio set forth in number 1) consists of:
 - a) Portfolio in the name of the Participant; and/or
 - b) Portfolio on behalf of the represented party if the Participant lodges Transaction for and on behalf of another Participant.
- 3) The portfolio on behalf of the Participant set forth in point 2)a) will be connected to the Participant's Position Account;
- 4) Portfolio on behalf of the represented Participant, if the Participant lodges Transaction for and on behalf of another

party set forth in point 2)b) will be connected to the represented party's Position Account.

b. Position Account

- 1) Participant shall have a Position Account under its own name and/or the name of a represented party.
- 2) Position Account shall be an account containing information on Securities Account and Current Account.
- 3) If the Participant transacting on its own behalf is not a BI-SSSS Participant and/or BI-RTGS System participant, then the Position Account shall contain the following information:
 - a) Securities Account designated by the Participant;
 - b) Current Account of Paying Bank designated by the Participant.
- 4) If the Participant transacts on behalf of a represented party, who is a BI-SSSS Participant and/or BI-RTGS System participant, then the Position Account shall contain the following information:
 - a) Securities Account of the represented party; and
 - b) Current Account of the represented party,
for settlement purposes.
- 5) If the Participant transacts on behalf of a represented party, who is a BI-SSSS Participant and/or BI-RTGS System participant, then the Position Account shall contain the following information:

- a) Securities Account designated by the represented party;
and
 - b) Current Account of Paying Bank designated by the
represented party,
for settlement purposes.
- 6) The Participant shall register and update their Position Account
on BI-ETP System.
 - 7) Procedure for Position Account registration set forth in number
6) shall refer to BI-ETP System Technical Guideline Book.
 - 8) If the Participant registers a new Position Account or updates
their Position Account, the Participant shall submit to BI-ETP
System Operator the update of another party's name with
transactional correlation in the format set forth in Appendix II.7.

2. Broker Bidding Limit

- a. If a Participant submits a bid for and on behalf of another Participant
that has a Current Account, the Broker Bidding Limit will be set by
the Participant submitting the bid.
- b. If a Participant submits a bid for and on behalf of another Participant
that does not have a Current Account, the Broker Bidding Limit will
be set by a Paying Bank as a party conducting fund settlements.
- c. Broker Bidding Limit will be accumulated for each unsettled
Transaction value.
- d. If a submitted Transaction exceeds the Broker Bidding Limit, such
Transaction shall be rejected by BI-ETP System.

- e. Anytime Transaction settlements occur, the usage of Broker Bidding Limit shall decrease by the relevant settlement value.
- f. A Participant submitting a Transaction for and on behalf of the Participant or another party must observe Broker Bidding Limit per day.

D. Management of Data Communication Network

- 1. If addition of data communication network other than that provided by BI-ETP System Operator is required, the cost of such addition and use of data communication network shall be borne by the Participant.
- 2. The type and use of data communication network provided by the Participant must comply with the standard determined by BI-ETP System Operator.

V. TRANSACTION ACTIVITIES THROUGH BI-ETP SYSTEM

A. Transactions With Bank Indonesia

Transactions With Bank Indonesia shall be conducted by BI-ETP System Operator by bidding or non-bidding for Monetary Operations, Sharia Monetary Operations and/or SBN transactions for and on behalf of the Government under the following provisions:

- 1. Types of Transactions
 - a. Monetary Operations and Sharia Monetary Operations
 - 1) OMO and Sharia OMO transactions shall be conducted on the mechanism of bidding among others as follows:
 - a) issuance of SBI, SBIS, and SDBI;

- b) Rupiah Term Deposit;
- c) SBN purchase and sale in the secondary market;
- d) Repo of SBI, SBIS, SDBI, and SBN; and
- e) SBN Reverse Repo.

2) OMO and Sharia OMO Transactions conducted on the mechanism of non-bidding among others are purchase and sale of SBN in the secondary market.

3) Standing Facilities and Sharia Standing Facilities consist of Rupiah lending facility and financing facility as well as Rupiah deposit facility and FASBIS.

b. Transactions for and on behalf of the Government

Transactions for and on behalf of the Government c.q. the Ministry of Finance among others are bidding transactions for SBN issuance in the primary market.

2. Transactions With Bank Indonesia set forth in number 1 shall be conducted by Participants by referring to Bank Indonesia provisions among others for monetary operations, sharia monetary operations, and SBN bidding in the primary market and SBN administration.

B. Financial Market Transactions

Financial Market Transactions shall be conducted by Participants under the following bilateral mechanism between Participants:

1. Possible types of Financial Market Transactions among others are:

- a. Transactions of Securities conducted for money market and/or securities transactions in the secondary market among others consist

of Repurchase Agreement (Repo) transactions with or without transfer of Securities ownership, Securities sale and purchase transactions in an outright manner, and Securities lending and borrowing);

- b. Lending and borrowing transactions without using securities conducted for money market.

2. Submission of Quotations for Financial Market Transactions by Participants

- a. A Participant may submit a quotation for Financial Market Transaction during the operational hours of BI-ETP System.
- b. The submission of quotation for Financial Market Transaction set forth in letter a may be in the form of bid or request for fund and/or Securities.
- c. A Participant may submit a quotation:
 - 1) for and on behalf of the Participant; or
 - 2) for and on behalf of another party.
- d. Submission of quotation for and on behalf of the Participant set forth in point c.2) shall be as follows:
 - 1) A Participant, who appoints another Participant as a broker, must determine the Broker Bidding Limit for brokers in accordance with the provisions set forth in point IV.C.2.
 - 2) A submitted quotation will be rejected if the bid nominal value exceeds the Broker Bidding Limit.
 - 3) A quotation submitted by a broker on behalf of another Participant set forth in number 1) shall be based on the data in

supporting transaction instruction documents for the Participant submitting quotation for and on behalf of another Participant.

- e. A Participant sending their quotation may determine quotation deadline in automatic or manual manner.

3. Mechanism of Financial Market Transactions

- a. Submission of Financial Market Transaction quotation using Securities set forth in point 1.a shall follow the following provisions:

- 1) A quoting Participant shall submit their bid containing among others the following information:
 - a) types and series of Securities;
 - b) nominal amount;
 - c) interest rate;
 - d) term; and/or
 - e) settlement date and time.
- 2) A quoting Participant may change or cancel the bid information set forth in number 1) provided that the quotation has not been received or negotiated by a Participant receiving the quotation.
- 3) Against the bid information submitted by a quoting Participant, a Participant receiving the quotation may submit their bid.
- 4) A quoting Participant may submit or reject the bid submitted by a Participant receiving the quotation.
- 5) If a quoting Participant or a Participant receiving the quotation agrees on the bid information submitted by the bid counterparty, a quoting Participant and a Participant receiving the quotation may accept the bid.

- 6) Settlement on BI-SSSS and/or BI-RTGS System shall be made for the accepted quotation set forth in number 5).
- b. Submission of Financial Market Transaction quotation without using Securities set forth in point 1.b shall follow the following provisions:
 - 1) A quoting Participant shall submit their bid containing among others the following information:
 - a) nominal amount;
 - b) interest rate;
 - c) term; and/or
 - d) settlement date and time.
 - 2) A quoting Participant may change or cancel the bid information set forth in number 1) provided that the quotation has not been received or negotiated by a Participant receiving the quotation.
 - 3) Against the bid information submitted by a quoting Participant, a Participant receiving the quotation may submit their bid.
 - 4) A quoting Participant may submit or reject the bid submitted by a Participant receiving the quotation.
 - 5) If a quoting Participant or a Participant receiving the quotation agrees on the bid information submitted by the bid counterparty, a quoting Participant and a Participant receiving the quotation may accept the bid.
 - 6) Settlement on BI-SSSS and/or BI-RTGS System shall be made for the accepted quotation set forth in number 5).

VI. PROVISIONS AND PROCEDURES FOR ABNORMAL CONDITIONS AND EMERGENCIES

Provisions and procedures to maintain sustainable BI-ETP System operation in the event of Abnormal Conditions and/or Emergencies shall be as follows:

A. Abnormal Conditions and/or Emergencies in BI-ETP System Operator

1. Abnormal Conditions in BI-ETP System Operator

In the event of Abnormal Conditions in BI-ETP System Operator affecting smooth BI-ETP System operation or resulting in the inability of BI-ETP System Operator to conduct BI-ETP System operational activities, the procedures shall be as follows:

- a. BI-ETP System Operator shall notify all Participants on the occurrence of Abnormal Conditions and required phases by Administrative Message and/or any other means.
- b. If an Abnormal Condition making it impossible to conduct BI-ETP System operational activities, the phases to be taken by a Participant shall be as follows:
 - 1) temporarily suspend Transaction delivery activities and other activities through BI-ETP System during recovery process and the Participant may not deliver any Transaction until further notice;
 - 2) make connections to BI-ETP System after recovery process completes;
 - 3) reconcile between Transaction data on BI-ETP System in the Participant and BI-ETP System in the BI-ETP System Operator;

- 4) inform Help Desk of BI-ETP System in the event of difference in Transaction data set forth in number 3).
- c. For implementation of activities set forth in letter b, communication between Participant and BI-ETP System Operator shall be made by Administrative Message, help desk of BI-ETP System, and/or any other means.

2. Emergencies in BI-ETP System Operator

In the event of Emergencies resulting in inability of BI-ETP System operation, BI-ETP System Operator shall determine the policies and procedures for Emergency mitigation and notify all Participants on the occurrence of Emergencies and things to do by the Participant in BI-ETP System operation.

B. Abnormal Conditions and/or Emergencies in the Participant

1. In the event of Abnormal Conditions and/or Emergencies in the Participant resulting in disturbed smoothness of Transaction, the following procedures shall apply:
 - a. The Participant shall notify BI-ETP System Operator on the occurrence of any Abnormal Conditions and/or Emergencies.
 - b. The notice set forth in letter a shall be submitted to:
 - 1) BI-ETP help desk by phone no later than 30 (thirty) minutes as of the Abnormal Condition and/or Emergency; and/or
 - 2) BI-ETP System Operator by letter which may be preceded by facsimile or any other means.

2. In the event of Abnormal Conditions and/or Emergencies in the Participant resulting in the Participant's inability to conduct BI-ETP System operational activities, the following procedures shall apply:
 - a. If the Participant cannot use the Main BI-ETP System, then the Participant shall use the Back-Up BI-ETP System.
 - b. If the Participant cannot use the Back-Up BI-ETP System, the Participant may conduct BI-ETP System operational activities by using Guest Bank Facility in the location of BI-ETP System Operator or KPwDN if the Participant is headquartered within the KPwDN operational area.
 - c. If the Participant decides not to conduct operational activities, the Participant must immediately notify such decision to BI-ETP System Operator by letter which may be preceded by facsimile or any other means.

C. Use of Guest Bank Facility

1. Use of Guest Bank Facility shall be governed as follows:
 - a. The Participant may use Guest Bank Facility provided by BI-ETP System Operator if the main BI-ETP System and back-up BI-ETP System in the Participant may not be used.
 - b. The Guest Bank Facility set forth in letter a may be used by the Participant during the operational hours of BI-ETP System to send Transaction instruction.
 - c. BI-ETP System Operator shall impose charges on the Participant using Guest Bank Facility.

- d. BI-ETP System Operator may determine the maximum time limit of Guest Bank Facility use if the number of Participants submitting requests for use of Guest Bank Facility exceeds the available capacity.
 - e. The Participant shall exempt BI-ETP System Operator from all losses, which is suffered and/or will be suffered by the Participant in relation to the implementation of transactions through Guest Bank Facility.
2. Procedures for use of Guest Bank Facility shall be governed as follows:
- a. The Participant shall submit a request letter for using Guest Bank Facility to BI-ETP System Operator as specified in Appendix II.16.
 - b. The request letter set forth in letter a shall contain among others:
 - 1) reasons for using Guest Bank Facility;
 - 2) location of Guest Bank Facility use; and
 - 3) statement that the Participant will exempt Bank Indonesia from any indemnity against all losses suffered by the Participant in relation to the implementation of Transactions through Guest Bank Facility.
 - c. The request letter set forth in letter a shall be signed by an official affixing his/her specimen signature.
 - d. The request letter set forth in letter a shall be submitted to BI-ETP System Operator under the following provisions:
 - 1) the letter is delivered to the address set forth in point II.A.3;
 - 2) for Participant located within the operational area of KPwDN, the letter shall be submitted to BI-ETP System Operator and the copy shall be delivered to KPwDN providing Guest Bank Facility.

- e. The request letter set forth in letter a may be first delivered to BI-ETP System Operator by facsimile or any other means.
- 3. Based on the approval of BI-ETP System Operator for Guest Bank Facility use delivered by Administrative Message or any other means, the Participant shall use Guest Bank Facility in the location of BI-ETP System Operator or KPwDN under the following procedures:
 - 1) The Participant shall prepare Transaction data and other matters required for operation in BI-ETP System Operator according to the guideline for Guest Bank Facility use for Participants set forth in Appendix V.
 - 2) If the number of Participants submitting the request exceeds the provided capacity of Guest Bank Facility, BI-ETP System Operator may determine the order of Guest Bank Facility use by each Participant's arrival.

VII. FEES IN BI-ETP SYSTEM OPERATION

BI-ETP System Operator shall charge fees against Participants for BI-ETP System use under the following provisions:

1. Types of fees

Types of fees in BI-ETP System use include among others:

a. Transaction Fee

- 1) Transaction Fee shall be charged for each delivery of Transaction instruction including among others quotation delivery, re-quotation, acceptance, or rejection.

- 2) The Transaction Fee set forth in number 1) includes delivery of amendment.
 - b. Fee of Administrative Message use
Administrative Message use for each delivery to BI-ETP System Operator and between Participants shall be charged with fee.
 - c. Fee of Guest Bank Facility use
 - 1) Duration of Guest Bank Facility use shall be calculated based on the accumulation of Guest Bank Facility use in 1 (one) day with time rounding up to 1 (one) hour as specified in the calculation example in Appendix VI.
 - 2) The amount of fee set forth in number 1) shall be calculated based on the list of attendance signed by BI-ETP System Operator and the Participant.
 - 3) BI-ETP System Operator may determine the duration of Guest Bank Facility use by Participant in relation to the calculation of Guest Bank Facility use fee.
 - d. Fee of addition or replacement of Digital Certificate Hard Token
 - 1) Fee of addition or replacement of Digital Certificate Hard Token shall be charged for any addition exceeding the maximum limit determined by BI-ETP System Operator and replacement of broken or lost Digital Certificate Hard Token.
 - 2) Fee shall be charged to each Digital Certificate Hard Token.
2. The amount of fee of BI-ETP System use set forth in number 1 is as specified in Appendix VI.

3. In the event of fee addition or change, BI-ETP System Operator shall announce such change to the Participant by Administrative Message on BI-ETP System or any other means.
4. BI-ETP System Operator may determine different amount of fee for the Ministry of Finance or any other institutions.
5. In the event of Abnormal Conditions and/or Emergencies, BI-ETP System Operator may determine different fee of BI-ETP System use.
6. The amount of fee set forth in number 2, number 4, and number 5 excludes Value Added Tax (VAT).
7. Fee Calculation and Charge
 - a. Calculation of fee is made by BI-ETP System Operator no later than 1 (one) working day after a Transaction date for each Participant.
 - b. BI-ETP System Operator shall charge fee by debiting the Participant's Current Account or Paying Bank appointed by the Participant.
8. Fee Charge by Participant to Customer

To support smooth Transaction implementation through BI-ETP System, the Participant may charge fee to customer under the following provisions:

 - a. the Participant shall charge fee to customer in a reasonable amount; and
 - b. the Participant must inform the amount of BI-ETP System use fee determined by BI-ETP System Operator and the amount of BI-ETP System use fee charged by the Participant to customer.

VIII. MONITORING OF PARTICIPANT'S COMPLIANCE

- A. Scope of Monitoring

1. Monitoring is conducted by BI-ETP System Operator in a sustainable manner.
2. The monitoring set forth in number 1 may be conducted by the following method:
 - a. Direct monitoring by inspection to the Participant's business premises;
 - b. Indirect monitoring by conducting research, analysis, and evaluation of:
 - 1) periodic report and/or occasional report submitted by the Participant to BI-ETP System Operator; and
 - 2) data or information obtained from:
 - a) the relevant Participant;
 - b) system in BI-ETP System Operator; and/or
 - c) any other parties.

B. Direct Monitoring

1. BI-ETP System Operator shall conduct direct monitoring by inspection to the Participant's business premises at any time when required.
2. Implementation of the Participant's compliance monitoring set forth in number 1 shall include among others the following aspects:
 - a. management;
 - b. operation;
 - c. infrastructure; and/or
 - d. BCP.
3. BI-ETP System Operator shall conduct direct monitoring under the following procedures:

- a. The inspection official is equipped with an introductory letter from Bank Indonesia.
 - b. The Participant must provide at least the following to the inspection official set forth in letter a:
 - 1) information, data, and/or statement as well as original documents and copies necessary on the implementation of BI-ETP System, including electronic data, instruments, and other written documents;
 - 2) access to conduct direct monitoring on physical facilities and other supporting applications; and
 - 3) other matters required in direct monitoring.
 - c. The Participant must provide explanation or information to the inspection official for clarification and/or confirmation of information, data, and/or documents obtained in the inspection set forth in letter b.
 - d. At the end of the inspection in the Participant's location, an exit meeting shall be organized to deliver and discuss major inspection results and/or matters requiring follow-up by the Participant.
 - e. BI-ETP System Operator shall prepare and submit to the Participant the report on inspection result and/or matters requiring follow-up by the Participant.
4. BI-ETP System Operator may appoint another party with skills and competence in information technology audit, for and on behalf of BI-ETP System Operator to conduct inspection by maintaining the confidentiality under the applicable provisions.

5. The Participant must follow up the inspection result and/or matters requiring follow-up set forth in point B.3.e and report the follow-up in writing to BI-ETP System Operator.
6. If necessary, Bank Indonesia may make a re-inspection to ensure the accuracy of the follow-up report.

C. Indirect Monitoring

1. Indirect monitoring shall be conducted by BI-ETP System Operator in a sustainable manner.
2. The Participant must submit the following written reports on the indirect monitoring set forth in point A.2.b:

a. Periodic report

Periodic report among others consists of Compliance Evaluation Result Report (LHPK).

- 1) LHPK shall be an annual report containing compliance evaluation result based on the Participant's internal inspection.
- 2) LHPK period shall be from January 1 to December 31 and submitted to BI-ETP System Operator no later than March 31 of the following year.
- 3) If the deadline of LHPK submission set forth in number 2) falls on a holiday, the LHPK submission deadline shall be made on the following working day.
- 4) LHPK shall be submitted in writing to BI-ETP System Operator by letter and/or any other means determined by BI-ETP System Operator.

b. Occasional report

Occasional report in writing shall consist of:

- 1) report submitted by the Participant to BI-ETP System Operator at the request of BI-ETP System Operator;
- 2) report submitted to BI-ETP System Operator on the Participant's initiative.
3. Based on the result of indirect monitoring set forth in number 2, BI-ETP System Operator may make clarification and/or confirmation to the Participant.
4. If the clarification and/or confirmation set forth in number 3 is insufficient, BI-ETP System Operator may conduct direct inspection.

IX. PROCEDURES FOR SANCTION IMPOSITION

Procedures for imposition of sanctions relating to BI-ETP System Operation against Participants shall be as follows:

1. Written warning sanction
 - a. shall be imposed on the Participant committing the following:
 - 1) fail to perform their obligations as set forth in point III.F;
 - 2) fail to inform transaction fee in BI-ETP System implementation to customer in a transparent manner as set forth in point VII.8.b;
 - 3) fail to provide information, data and/or statement as well as original documents and copies of BI-ETP System implementation set forth in point VIII.B.3.b.1);
 - 4) fail to provide access to BI-ETP System Operator to conduct the direct monitoring set forth in point VIII.B.3.b.2);

- 5) fail to follow-up the result of monitoring conducted by BI-ETP System Operator set forth in point VIII.B.5;
 - 6) delay in or fail to submit LHPK by the deadline determined in point VIII.C.2.a.; and/or
 - 7) fail to submit occasional report set forth in point VIII.C.2.b.
- b. The Participant must follow up the written warning sanction set forth in letter a by the following deadlines:
- 1) written warning for not performing the Participant's obligations set forth in point 1.a.1) no later than 30 (thirty) working days as from the receipt of the written warning;
 - 2) written warning for not providing access to BI-ETP System Operator to conduct direct inspection set forth in point 1.a.4) no later than 7 (seven) working days as from the receipt of the written warning;
 - 3) written warning for not following up the monitoring result set forth in point 1.a.5) by the deadline determined by BI-ETP System Operator in the report on inspection result;
 - 4) written warning for not submitting LHPK by the deadline determined by BI-ETP System Operator set forth in point 1.a.6) no later than 30 (thirty) working days as from the receipt of the written warning.
- c. If the Participant fails to follow up the written warning sanction by the deadline set forth in letter b, the Participant shall be imposed with the second written warning sanction.
- d. On the second written warning sanction set forth in letter c, the Participant must make follow-up by the deadline set forth in letter b.

- e. The written warning set forth in letter a and letter c shall be submitted to the Participant and the copy shall be delivered to the relevant supervisory agency.

2. Payment obligation sanction

In addition to the written warning for not performing LHPK submission obligation by the deadline determined by BI-ETP System Operator set forth in point 1.a.6), the Participant shall be imposed with payment obligation sanction under the following provisions:

- a. delay in or failure to submit LHPK set forth in point VIII.C.2.a.1) shall be imposed with payment obligation sanction of Rp500,000.00 (five hundred thousand rupiah) per working day as from the LHPK submission deadline at the maximum nominal amount of Rp15,000,000.00 (fifteen million rupiah);
- b. the payment obligation sanction set forth in letter a shall be imposed by debiting the Participant's Current Account and/or Paying Bank's Current Account; and/or
- c. if the Participant delays in LHPK submission by the deadline, the Participant remains obliged to submit LHPK no later than 30 (thirty) working days as from the LHPK submission deadline determined by BI-ETP System Operator.

3. Participation status change sanction

- a. If the Participant fails to perform the obligation to follow up the second written warning by the determined deadline set forth in point 1.d, the Participant shall be sanctioned with participation status change.

- b. Participation status change set forth in letter a shall be imposed based on the effective date of status change determined by BI-ETP System Operator and notified no later than 1 (one) working day before by BI-ETP System Operator.
- c. Letter on participation status change imposition shall be delivered to the Participant and the copy shall be delivered to the relevant supervisory agency.

X. MISCELLANEOUS PROVISIONS

- 1. Participants within Jakarta KPwDN area shall be exempted from the obligation to deliver the copy to KPwDN.
- 2. Appendix I until Appendix VI shall constitute an inseparable part of this Bank Indonesia Circular Letter.

XI. CLOSING PROVISIONS

This Bank Indonesia Circular Letter shall start to take effect as of November 16, 2015.

For public cognizance, it is ordered that this Bank Indonesia Circular Letter be promulgated by placing it in the Official Gazette of the Republic of Indonesia.

Your kind attention shall be highly appreciated.

BANK INDONESIA,

(signed)

DODDY ZULVERDI

HEAD OF MONETARY

MANAGEMENT DEPARTMENT